

CALIFORNIA DEPARTMENT OF INSURANCE
LEGAL DIVISION
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Attorneys for Steve Poizner,
Insurance Commissioner

**BEFORE THE INSURANCE COMMISSIONER
OF THE STATE OF CALIFORNIA**

In the Matter of the Accusation Against

File No. VA-72033-AP

FAST OUT BAIL BONDS, INC

FIRST AMENDED ACCUSATION

AND

RAZIEL PAM

Respondents.

JURISDICTION

1. The California Department of Insurance (hereafter "Department") brings this matter before the Insurance Commissioner of the State of California (hereafter "Insurance Commissioner"). The Insurance Commissioner is the principal government regulator of insurance in California, pursuant to the California Insurance Code ("CIC").¹

2. The regulations governing insurance companies, brokers and agents are contained in title 10, Chapter 5 of the California Code of Regulations ("CCR").

3. This matter arises under the CIC, Division 1, Part 1 and Part 2, Chapters 1, 2, 5

¹ All citations are to the California Insurance Code, unless otherwise indicated.

1 and 12 and Division 2, Chapter 1, Article 1, which governs the licensing of production agencies
2 including insurance companies, brokers and agents. This matter also arises under CIC, Division
3 1, Part 2, Chapter 7, Article 1 (Section 1800 *et. seq.*), which governs the licensing of production
4 agencies, including bail agents.

5 5. This proceeding is governed by the California Administrative Procedures Act,
6 commencing with Chapter 5 of Part 1 of Division 3 of Title 2 of the California Government Code
7 (Section 11500 *et seq.*).

8 6. Pursuant to CIC sections 1668, 1668.5, 1805, 1738, 1739 and 1807, the
9 Commissioner may institute or continue a disciplinary proceeding against a licensee and a
10 controlling person of a licensed organization on the grounds set forth in CIC sections 1668,
11 1668.5 and 1805.

12 7. CIC Section 1738 provides, in pertinent part, that the Insurance Commissioner of
13 the State of California may institute or continue a disciplinary proceeding against a licensee on
14 the grounds set forth in CIC § 1668.

15 8. CIC section 1668 states, in pertinent part:

16 “The commissioner may suspend or revoke any license issued pursuant to this chapter if:

17 “(e) The holder of a permanent license is lacking in integrity.”

18 “(j) The holder of a permanent license has shown incompetency or untrustworthiness in
19 the conduct of any business, or has by commission of a wrongful act or practice in the course of
20 any business exposed the public or those dealing with him to the danger of loss.”

21 “(l) The holder of a permanent license has failed to perform a duty expressly enjoined
22 upon him by a provision of this code or has committed an act expressly forbidden by such
23 provision.”

24 “(n) The holder of a permanent license has aided or abetted any person in an act or
25 omission which would constitute grounds for the suspension, revocation or refusal of a license or
26 certificate issued under this code to the person aided or abetted.”

27 9. CIC section 1668.5 states, in pertinent part:

28 “(a) The Commissioner may deny an application for any license issued pursuant to this

chapter, and may suspend or revoke the permanent license of any organization licensed pursuant to this chapter as authorized by Section 1738, if the applicant or holder of the permanent license is an organization and a controlling person of the organization is any of the following:

“(1) The controlling person has previously engaged in a fraudulent practice or act or has conducted any business in a dishonest manner.”

“(2) The controlling person has shown incompetency or untrustworthiness in the conduct of any business, or has by commission of a wrongful act or practice in the course of any business exposed the public or those dealing with him or her to the danger of loss.”

....

“(4) The controlling person has failed to perform a duty expressly enjoined upon him or her by a provision of this code or has committed an act expressly forbidden by a provision of this code.”

10. The lapse or suspension of any license by operation of law, by failure to renew or by its voluntary surrender shall not deprive the Commissioner of jurisdiction or right to institute or proceed with any disciplinary proceeding against such license, to render a decision suspending or revoking such license or to establish and make a record of the facts of any violation of law for any lawful purpose pursuant to CIC § 1743.

PARTIES

11. Complainant, Steven Poizner, is the Insurance Commissioner. Pursuant to Government Code § 11503, complainant files this matter in his official capacity.

12. On or about March 27, 2006, the Department issued bail agent license number 1843741 to Respondent Fast Out Bail Bonds, Inc (Respondent Fast Out). The license will expire on June 30, 2009 unless renewed. Respondent Fast Out maintains a business and mailing address at 5908 Van Nuys Blvd., Van Nuys, CA 91401.

13. On or about August 15, 2003, the Department issued bail agent license number 1842941 to Raziel Pam (Respondent Pam). The license will expire on June 30, 2009 unless renewed. Respondent's business and mailing address is the same as Respondent Fast Out.

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FIRST CAUSE FOR DISCIPLINE

SUBJECT: UNLAWFUL SOLICITATION OF ARESTEE

APPLICABLE LAW: CIC §§ 1668(b), (d), (e), (i), (j), (l), (n), (o), 1668.5(a)(1), (a)(2),
(a)(4), (a)(6), (a)(7), 1805(a), (d), (g), (h), 1806, 1807, 1821 and
CCR 2074

ALLEGATIONS:

14. Respondents' licenses are subject to discipline for unlawful solicitation. The facts and circumstances are that on or about July 12, 2006, at approximately 6 a.m., Karen Conemac (Conemac), while incarcerated at the Los Angeles County jail, was contacted by Adi Roth² (Roth), who worked for, or represented, the Respondents. Roth stated that Conemac could be released on bail for a certain amount. If Conemac wanted to negotiate said amount, she would have to contact Respondent Pam. Conemac contacted Respondent Pam who stated that attorney James "Jay" Devitt would take her case. Conemac paid Respondent Pam \$8,000.00 for bail on July 12, 2006.

SECOND CAUSE FOR DISCIPLINE

SUBJECT: SUGGESTING OR RECOMMENDING AN ATTORNEY

APPLICABLE LAW: CIC §§ 1668(b), (d), (e), (i), (j), (l), (n), (o), 1668.5(a)(1), (a)(2),
(a)(4), (a)(6), (a)(7), 1805(a), (d), (g), (h), 1806, 1807, 1821 and
CCR 2071

ALLEGATIONS:

15. Respondents' licenses are subject to discipline for suggesting or recommending an attorney. The facts and circumstances are more fully set forth in paragraph 14 above.

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² Roth is not licensed as a bail solicitor, bail agent or a bail premittee, and, therefore, is prohibited from transacting bail.

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THIRD CAUSE FOR DISCIPLINE

SUBJECT: SOLICITATION OF ARRESTEE (HOURS)

APPLICABLE LAW: CIC §§ 1668(b), (d), (e), (i), (j), (l), (n), (o), 1668.5(a)(1), (a)(2), (a)(4), (a)(6), (a)(7), 1805(a), (d), (g), (h), 1806, 1807, 1821 and CCR 2079.1

ALLEGATIONS:

16. Respondents’ licenses are subject to discipline for soliciting an arrestee outside permissible hours. The facts and circumstances are more fully set forth in paragraph 14 above.

FOURTH CAUSE FOR DISCIPLINE

SUBJECT: UNLAWFUL SOLICITATION OF ARRESTEE

APPLICABLE LAW: CIC §§ 1668(b), (d), (e), (i), (j), (l), (n), (o), 1668.5(a)(1), (a)(2), (a)(4), (a)(6), (a)(7), 1805(a), (d), (g), (h), 1806, 1807, 1821 and CCR 2074

ALLEGATIONS:

17. Respondents’ licenses are subject to discipline for unlawful solicitation of an arrestee. The facts and circumstances are that on July 12, 2006 at approximately 12:50 a.m., Robert Conemac, while incarcerated in the Los Angeles County jail, was contacted by an individual who represented the Respondents. The individual advised Mr. Conemac that he could arrange bail for his wife, Karen Conemac, and him for \$8,000. At approximately 5:50 a.m. on July 12, 2006, Respondent Pam escorted Mr. Conemac out of jail and drove him to the Respondents’ business address in Van Nuys, California. After Karen Conemac was released from jail, they paid Respondent Pam \$8,000.00.

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FIFTH CAUSE FOR DISCIPLINE

SUBJECT: SOLICITATION OF ARRESTEE (HOURS)

APPLICABLE LAW: CIC §§ 1668(b), (d), (e), (i), (j), (l), (n), (o), 1668.5(a)(1), (a)(2),
(a)(4), (a)(6), (a)(7), 1805(a), (d), (g), (h), 1806, 1807, 1821 and
CCR 2079.1

ALLEGATIONS:

18. Respondents’ licenses are subject to discipline for soliciting an arrestee outside
permissible hours. The facts and circumstances are more fully set forth in paragraph 17 above.

SIXTH CAUSE FOR DISCIPLINE

SUBJECT: UNTRUSTWORTHINESS IN CONDUCT OF BUSINESS

APPLICABLE LAW: CIC §§ 1668(b), (d), (e), (i), (j), (l), (n), (o), 1668.5(a)(1), (a)(2),
(a)(4), (a)(6), (a)(7), 1805(a), (d), (g), (h), 1806, 1807, 1821

ALLEGATIONS:

Respondents’ licenses are subject to discipline for untrustworthiness in the conduct of
business. The facts and circumstances are as follows:

19. On March 3, 2006, Ryan Watt (Watt) was arrested and booked into the Los
Angeles County jail in Lancaster, California. On March 4, 2006, a jailer informed Watt that his
bail had been posted. He walked out of the jail and two men were waiting for him who stated that
they worked for Respondent Fast Out. Watt advised them that he never called or attempted to
contact Respondent Fast Out. The men stated that they wanted him to pay Respondent Fast Out
\$5,000.00 or they would “surrender” him to the Los Angeles jail downtown. Watt’s credit card
was charged \$5,000.00 by Respondent Fast Out.

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1 **SEVENTH CAUSE FOR DISCIPLINE**

2 **SUBJECT:** UNLAWFUL SOLICITATION OF ARRESTEE

3 **APPLICABLE LAW:** CIC §§ 1668(b), (d), (e), (i), (j), (l), (n), (o), 1668.5(a)(1), (a)(2),
4 (a)(4), (a)(6), (a)(7), 1805(a), (d), (g), (h), 1806, 1807, 1821 and
5 CCR 2074

6 **ALLEGATIONS:**

7 Respondents' licenses are subject to discipline for unlawful solicitation of an arrestee.

8 The facts and circumstances are as follows:

9 20. On July 23, 2007 at approximately 2:00 a.m., Kenny Matsuda (Matsuda), while
10 incarcerated in the Los Angeles County jail in Van Nuys, was contacted by Respondent Pam.
11 Respondent Pam interviewed Matsuda and offered to post bond for him; however, Matsuda
12 refused Respondent Pam's offer.

13 **EIGHTH CAUSE FOR DISCIPLINE**

14 **SUBJECT:** SOLICITATION OF ARRESTEE (HOURS)

15 **APPLICABLE LAW:** CIC §§ 1668(b), (d), (e), (i), (j), (l), (n), (o), 1668.5(a)(1), (a)(2),
16 (a)(4), (a)(6), (a)(7), 1805(a), (d), (g), (h), 1806, 1807, 1821 and
17 CCR 2079.1

18 **ALLEGATIONS:**

19 21. Respondents' licenses are subject to discipline for soliciting an arrestee outside
20 permissible hours. The facts and circumstances are more fully set forth in paragraph 20 above.

21 **NINTH CAUSE FOR DISCIPLINE**

22 **SUBJECT:** UNLAWFUL SOLICITATION OF ARRESTEE

23 **APPLICABLE LAW:** CIC §§ 1668(b), (d), (e), (i), (j), (l), (n), (o), 1668.5(a)(1), (a)(2),
24 (a)(4), (a)(6), (a)(7), 1805(a), (d), (g), (h), 1806, 1807, 1821 and
25 CCR 2074

26 **ALLEGATIONS:**

27 Respondents' licenses are subject to discipline for unlawful solicitation of an arrestee.

28 The facts and circumstances are as follows:

22. On July 27, 2007, at approximately 3:40 a.m., Larry Wright (Wright), while incarcerated in the Los Angeles County jail in Van Nuys, was contacted by Respondent Pam. Respondent Pam advised the jailer that he was there to interview Wright regarding posting bond. Wright never requested the services of Respondents Pam Pam or Fast Out.

TENTH CAUSE FOR DISCIPLINE

SUBJECT: SOLICITATION OF ARRESTEE (HOURS)

APPLICABLE LAW: CIC §§ 1668(b), (d), (e), (i), (j), (l), (n), (o), 1668.5(a)(1), (a)(2), (a)(4), (a)(6), (a)(7), 1805(a), (d), (g), (h), 1806, 1807, 1821 and CCR 2079.1

ALLEGATIONS:

23. Respondents' licenses are subject to discipline for soliciting an arrestee outside permissible hours. The facts and circumstances are more fully set forth in paragraph 22 above.

ELEVENTH CAUSE FOR DISCIPLINE

SUBJECT: UNTRUSTWORTHINESS IN CONDUCT OF BUSINESS

APPLICABLE LAW: CIC §§ 1668(b), (d), (e), (i), (j), (l), (n), (o), 1668.5(a)(1), (a)(2), (a)(4), (a)(6), (a)(7), 1805(a), (d), (g), (h), 1806, 1807, 1821

ALLEGATIONS:

Respondents' licenses are subject to discipline for untrustworthiness in the conduct of business. The facts and circumstances are as follows:

24. On July 19, 2007, Jay Irwin (Irwin), while incarcerated in the Los Angeles County jail, contacted S & H Bail Bonds (S & H) requesting to be bailed out of jail. Michael Kracow (Kracow), representing S & H, arrived at the jail and spoke with the clerk at the front desk advising the clerk that he was there to interview Irwin. The clerk stated that there was another man³ waiting to interview Irwin. The clerk asked Kracow who contacted him, and Kracow responded that he was contacted by Irwin. The clerk asked the unidentified man who contacted him, and he immediately became agitated and stated that his partner was contacted by Irwin. The clerk was confused and contacted his supervisor for assistance. The supervisor allowed Kracow

³ The man was later identified as Respondent Pam.

1 to interview Irwin, but refused to allow the unidentified man to interview Irwin. Kracow, during
2 the interview, was advised by Irwin that he did not contact any other bail agent other than S & H.

3 **TWELFTH CAUSE FOR DISCIPLINE**

4 **SUBJECT:** UNLAWFUL SOLICITATION OF ARRESTEE

5 **APPLICABLE LAW:** CIC §§ 1668(b), (d), (e), (i), (j), (l), (n), (o), 1668.5(a)(1), (a)(2),
6 (a)(4), (a)(6), (a)(7), 1805(a), (d), (g), (h), 1806, 1807, 1821 and
7 CCR 2074

8 **ALLEGATIONS:**

9 Respondents' licenses are subject to discipline for unlawful solicitation of an arrestee.

10 The facts and circumstances are as follows:

11 25. On or about February 19, 2004, Vera Gurrola (Gurrola), while incarcerated in the
12 Los Angeles County jail in Van Nuys, California was advised, by the jailer, that there were two
13 individuals waiting to interview her with the intention of bailing her out of jail. Gurrola met with
14 the two individuals who introduced themselves as Respondent Pam and Adi Roth. The two
15 individuals escorted her out of jail and advised her that they had an appointment scheduled for her
16 with attorney Max Gorby (Gorby). Respondent Pam and Adi Roth drove Gurrola to Gorby's
17 office. Respondent Pam advised Gurrola that he would return the next day to collect his fees.
18 Gurrola met with Gorby, who charged Gurrola's credit card \$10,000 for a retainer fee.

19 **THIRTEENTH CAUSE FOR DISCIPLINE**

20 **SUBJECT:** SUGGESTING OR RECOMMENDING AN ATTORNEY

21 **APPLICABLE LAW:** CIC §§ 1668(b), (d), (e), (i), (j), (l), (n), (o), 1668.5(a)(1), (a)(2),
22 (a)(4), (a)(6), (a)(7), 1805(a), (d), (g), (h), 1806, 1807, 1821 and
23 CCR 2071

24 **ALLEGATIONS:**

25 26. Respondents' licenses are subject to discipline for suggesting or recommending an
26 attorney. The facts and circumstances are more fully set forth in paragraph 25 above.

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1 **FOURTEENTH CAUSE FOR DISCIPLINE**

2 **SUBJECT:** UNLAWFUL SOLICITATION OF ARRESTEE

3 **APPLICABLE LAW:** CIC §§ 1668(b), (d), (e), (i), (j), (l), (n), (o), 1668.5(a)(1), (a)(2),
4 (a)(4), (a)(6), (a)(7), 1805(a), (d), (g), (h), 1806, 1807, 1821 and
5 CCR 2074

6 **ALLEGATIONS:**

7 Respondents' licenses are subject to discipline for unlawful solicitation of an arrestee.

8 The facts and circumstances are as follows:

9 27. On February 17, 2004, at approximately 1:00a.m., Larry Bradley (Bradley), who
10 was incarcerated at the Los Angeles County jail in Lancaster, California, received a piece of
11 paper from the jailer on duty. The paper was from Respondent Fast Out, and included on the
12 paper was a telephone number for Respondent Fast Out. Bradley contacted Respondent Fast Out
13 and advised them that he already arranged for bail with Herman Family Bail Bonds (Herman).
14 The individual on the phone stated that his case was transferred to Respondent Fast Out because
15 there was "an emergency" at Herman. Bradley stated that he was not interested and terminated
16 the telephone call.

17 **FIFTEENTH CAUSE FOR DISCIPLINE**

18 **SUBJECT:** SOLICITATION OF ARRESTEE (HOURS)

19 **APPLICABLE LAW:** CIC §§ 1668(b), (d), (e), (i), (j), (l), (n), (o), 1668.5(a)(1), (a)(2),
20 (a)(4), (a)(6), (a)(7), 1805(a), (d), (g), (h), 1806, 1807, 1821 and
21 CCR 2079.1

22 **ALLEGATIONS:**

23 28. Respondents' licenses are subject to discipline for soliciting an arrestee outside
24 permissible hours. The facts and circumstances are more fully set forth in paragraph 27 above.

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1 **SIXTEENTH CAUSE FOR DISCIPLINE**

2 **SUBJECT:** UNTRUSTWORTHINESS IN CONDUCT OF BUSINESS

3 **APPLICABLE LAW:** CIC §§ 1668(b), (d), (e), (i), (j), (l), (n), (o), 1668.5(a)(1), (a)(2),
4 (a)(4), (a)(6), (a)(7), 1805(a), (d), (g), (h), 1806, 1807, 1821

5 **ALLEGATIONS:**

6 29. Respondents' licenses are subject to discipline for untrustworthiness in the conduct
7 of business. The facts and circumstances are more fully set forth in paragraph 27 above.

8 **SEVENTEENTH CAUSE FOR DISCIPLINE**

9 **SUBJECT:** UNTRUSTWORTHINESS IN CONDUCT OF BUSINESS

10 **APPLICABLE LAW:** CIC §§ 1668(b), (d), (e), (i), (j), (l), (n), (o), 1668.5(a)(1), (a)(2),
11 (a)(4), (a)(6), (a)(7), 1805(a), (d), (g), (h), 1806, 1807, 1821

12 **ALLEGATIONS:**

13 Respondents' licenses are subject to discipline for untrustworthiness in the conduct of
14 business. The facts and circumstances are as follows:

15 30. On or about January 27, 2008, Scott Myhan (S. Myhan) and his spouse, Renee
16 Myhan (R. Myhan) were arrested and taken to Los Angeles County jail. S. Myhan completed an
17 emergency contact information card and listed his parents, Donna and John Myhan (D. Myhan
18 and J. Myhan), as emergency contacts. On January 28, 2008, D. Myhan received a telephone call
19 from an individual named John⁴ who represented Respondent Fast Out. John stated that S.
20 Myhan's bail amount was \$100,000, and he could arrange for bail and would charge her eight
21 percent. He stated that his "boss" also required that she agree to have a \$2,000 lien placed on her
22 property. D. Myhan agreed to the arrangement, and wrote a check to Respondent Fast Out for
23 \$6,000 and allowed Respondent Fast Out to charge her credit card an additional \$2,000. John
24 stated that he would meet D. Myhan at the jail, and would be accompanied by Jonathan, another
25 bail agent. D. and J. Myhan met John and Jonathan at the jail and signed some paperwork.

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28 ⁴ John was later determined to be Jonathan Scott who was previously licensed as a bail bond agent, but was currently unlicensed.

1 S. Myhan was released from jail, and advised his parents that he did not contact
2 anyone regarding bailing him out of jail.

3 **EIGHTEENTH CAUSE FOR DISCIPLINE**

4 SUBJECT: UNLAWFUL SOLICITATION OF ARRESTEE

5 APPLICABLE LAW: CIC §§ 1668(b), (d), (e), (i), (j), (l), (n), (o), 1668.5(a)(1), (a)(2),
6 (a)(4), (a)(6), (a)(7), 1805(a), (d), (g), (h), 1806, 1807, 1821 and
7 CCR 2074

8 ALLEGATIONS:

9 Respondents' licenses are subject to discipline for unlawful solicitation of an arrestee.
10 The facts and circumstances are as follows:

11 31. On or about February 8, 2007, Paul Pastore (Pastore), who was incarcerated at the
12 Los Angeles County jail, was advised by the jailer that someone was there to see Pastore. He was
13 taken to an interview room where he met a young man who appeared to be about 30-years-old.
14 The young man stated that he could get him released from jail, and began to ask him about his
15 employment status, property holdings and his credit history. The man advised Pastore that his
16 bond would cost \$10,000. Neither Pastore, nor any of his relatives, contacted anyone with regard
17 to posting his bail; however, Pastore told the man that he would write him a check for the
18 \$10,000. The man left and returned in a few hours later, accompanied by another man⁵, and told
19 Pastore that his bail had been posted. The two men drove Pastore home, and he wrote out a check
20 for \$10,000 payable to Respondent Fast Out. On or about February 9, 2007, Pastore called
21 Respondent Fast Out and advised them that he would not be paying them the promised \$10,000
22 based on the advice of his attorney. Pastore issued a "stop payment" on the check after speaking
23 with his attorney regarding the unlawful solicitation.

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⁵ One man was later determined to be Adi Roth.

NINETEENTH CAUSE FOR DISCIPLINE

SUBJECT: PROHIBITED ASSOCIATIONS

APPLICABLE LAW: CIC §§ 1668(b), (d), (e), (i), (j), (l), 1668.5(a)(1), (a)(2),
(a)(4), 1805(a), (d), (g), (h), 1806, 1807, 1821
CCR 2057(c)

ALLEGATIONS:

32. Respondents' licenses are subject to discipline for being involved in prohibited associations. The facts and circumstances are more fully set forth in paragraphs 15, 26 and 31 above.

TWENTIETH CAUSE FOR DISCIPLINE

SUBJECT: AIDING OR ABETTING UNLICENSED ACTIVITY

APPLICABLE LAW: CIC §§ 1668(b), (d), (e), (i), (j), (l), (n), 1668.5(a)(1), (a)(2),
(a)(4), (a)(6), (a)(7), 1805(a), (d), (g), (h), 1806, 1807, 1821
CCR 2057(c)

ALLEGATIONS:

33. Respondents' licenses are subject to discipline for being involved in prohibited associations. The facts and circumstances are more fully set forth in paragraphs 15, 26 and 31 above.

TWENTY-FIRST CAUSE FOR DISCIPLINE

SUBJECT: UNTRUSTWORTHINESS IN CONDUCT OF BUSINESS

APPLICABLE LAW: CIC §§ 1668(b), (d), (e), (i), (j), (l), (n), (o), 1668.5(a)(1), (a)(2),
(a)(4), (a)(6), (a)(7), 1805(a), (d), (g), (h), 1806, 1807, 1821

ALLEGATIONS:

Respondents' licenses are subject to discipline for untrustworthiness in the conduct of business. The facts and circumstances are more fully set forth in paragraph 31.

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PETITION FOR DISCIPLINE

WHEREFORE, the Complainant prays for the issuance of an Order revoking the Licenses and licensing Rights of Respondents FAST OUT BAIL BONDS, INC. and RAZIEL PAM.

Dated: 19th day of July, 2010.

STEVE POIZNER
Insurance Commissioner

By: /s/
KEVIN W. BUSH
Senior Staff Counsel